Malaysian Timber Council is expanding its assistance programme by introducing MTC’s financial incentive programme for RETROFITTING machinery. This programme is to encourage local timber manufacturers in Peninsular Malaysia, particularly SMEs, that have undertaken MTC’s Retrofitting Programme and wish to upgrade existing machines by retrofitting.

Upgrading your existing machinery will save on costs. Existing machine tools can be brought back into shape for a fraction of the cost of a new acquisition. In addition, retrofitting also avoids the “additional cost” associated with switching machines, such as those for tools, foundations, changes to work processes, staff training sessions and time lost due to familiarisation.

Equipment age should not be a deterrent!

1. INCENTIVE
   Partial reimbursement of the machine price and freight charges for the purchase of machinery every three (3) years.

2. REIMBURSEMENT RATE
   - Non-Bumiputera company: 10% of the machine price and freight charges, up to RM50,000 every three (3) years per company/group of companies.
   - Bumiputera company: 15% of the machine price and freight charges, up to RM50,000 every three (3) years per company/group of companies

3. COMPANIES’ ELIGIBILITY
   - The timber company must fall within the definition of Small and Medium Enterprise (SME) as per the National SME Development Council’s definition;
   - A member of any one (1) of the six (6) timber associations:
     - Malaysian Wood Industries Association (MWIA);
     - The Timber Exporters’ Association of Malaysia (TEAM);
     - The Malaysian Panel-Products Manufacturers’ Association (MPMA);
     - Malaysian Wood Moulding and Joinery Council (MWMJC);
     - Malaysian Furniture Council (MFC); and
     - Persatuan Pengusaha Kayu-Kayan & Perabot Bumiputra Malaysia (PEKA) [Association of Malaysian Bumiputra Timber & Furniture Entrepreneurs].
GUIDELINES

• Must be based in Peninsular Malaysia, installed with wood-based manufacturing facilities, in operation for at least three (3) years and is financially stable;
• Must be involved in sawmilling or production of value added wood-based products;
• Must be a majority Malaysian-owned company, i.e. at least 51% of shareholding;
• Eligible companies are not confined only to manufacturing for export;
• Companies with 50% or more common controlling shareholders may apply. However, the companies within the same group shall have different core businesses;
• For companies that are using/sharing the same site/facility, only one company may apply; and
• Company that has received other grant or subsidy for the procurement of the said machine from other government or government-linked agencies is not eligible for this financial incentive programme.

4. MACHINERY TO BE RETROFITTED
• The machinery must be dedicated for sawmilling or value-added timber processing;
• The machine is used directly in the manufacturing processes at the factory;
• The company must be able to demonstrate that the machinery retrofitted enhances productivity such as reducing unscheduled machine downtime, reducing number of workers, higher energy efficiency, lower maintenance costs and increasing productivity; and
• Both imported and locally fabricated hardware, software and electronic/mechanical components purchased are eligible for the financial incentive.

5. APPLICATION
• Completed Application Form shall be submitted to MTC, together with supporting documents, after retrofitting of machine.
• Certified true copies of documents to be submitted include:
  ▶ Form 24 and 49, as per Company Act 1965 and Form of Annual Return.
  ▶ Purchase contract, photos of machine components and technical specifications.
  ▶ Latest 3 years audited accounts
  ▶ Latest 3 months bank statements
• Approval for application is subject to an independent due diligence audit to be carried out by MTC after retrofitting of machine.

6. REIMBURSEMENT
• An applicant must allow an independent follow-up due diligence to be carried out by MTC after the machine has been retrofitted in the factory and used at least for one (1) month after retrofitting of machine.
• Certified true copies of documents to be submitted for the reimbursement include:

  A. Purchase from local machine suppliers
  ▶ Supplier’s invoice and delivery order for hardware, software and electronic/mechanical components
  ▶ Packing list
  ▶ Invoices for transportation charges
  ▶ Payment receipt issued by supplier
  ▶ Production record data/letter of commissioning to show that the machine has been retrofitted in the factory and used at least for one (1) month after retrofitting.
  ▶ Proof of documents (e.g., “before and after” results) to show that the machine enhances production efficiency such as reducing man hours, reducing number of workers and increasing the volume of output.
GUIDELINES

B. Purchase from oversea suppliers

- Supplier’s invoice and delivery order for hardware, software and electronic/mechanical components
- Packing list
- Bill of Lading
- Custom Declaration Form (K1)
- Invoices for ocean freight and port handling charges
- Production record data/letter of commissioning to show that the machine has been retrofitted in the factory and used at least for one (1) month after retrofitting.
- Proof of documents (e.g., “before and after” results) to show that the retrofitted machine enhances production efficiency such as reducing man hours, reducing number of workers and increasing the volume of output.

- Submission for reimbursement (with full supporting documents) must reach MTC within three (3) months after the retrofitting.
- Late submission for reimbursement after the aforementioned three (3) months period will not be considered by MTC.
- Approval for reimbursement is at the sole discretion of MTC.
- The financial incentive provided is on a first-come, first-served basis, until the budget allocation is fully utilised.

For further enquiries and information, please contact:
1. Ms Adeline Goh, ext. 504, email: adeline@mtc.com.my
2. Ms Amira Ismail, ext. 508, email: amira@mtc.com.my

MALAYSIAN TIMBER COUNCIL
18th Floor, Menara PGRM I
8, Jalan Pudu Ulu, 56100 Cheras
Kuala Lumpur
Tel: 03-9281 1999
Fax: 03-9282 8999
Website: www.mtc.com.my
A. COMPANY INFORMATION

1. Company: 

2. Address: 

3. Factory Address (if different from Item 2):

   Postcode: Town: 

   State: 

4. Company Status (Please tick): SME Non-SME 

5. Own Manufacturing Facility or Sharing Manufacturing Facility with Other Companies Under Common Shareholders 

6. Tel. No.: -  

7. Fax No.: -  

8. Contact Person: 

9. Mob. No.: 

10. E-mail: 

11. Member of one of the following Associations (Membership No.): 

   MWIA TEAM MPMA MWMJC MFC PEKA 

B. PRODUCTS MANUFACTURED

12. Main Products: 

13. Market by Percentage (100%): % Export % Domestic
C. MACHINERY TO BE RETROFITTED

14. Details of machinery to be retrofitted:

<table>
<thead>
<tr>
<th>Description*</th>
<th>No. of Unit</th>
<th>Expected Improvements</th>
<th>Country of Origin</th>
<th>Cost (RM)</th>
<th>Date of Commissioning</th>
</tr>
</thead>
</table>

*Please attach additional sheet if applicable

D. COMPANY’S DECLARATION

I, declare and confirm that the equipment(s) to be purchased would be utilised directly in our own manufacturing process. I shall undertake to refund in full the disbursed amount to MTC in the event of non-compliance. I confirm that the details furnished herein are true and accurate:

☐ Company is incorporated in Peninsular Malaysia and involved in sawmilling or production of value-added wood-based products.

☐ Company is in operation for at least three (3) years.

☐ Company does not receive other grant or subsidy for the procurement of the said equipment(s) from other government or government-linked agencies.

Applicant’s Signature ______________________

Name: ________________________________

Designation: __________________________

Date (dd/mm/yy): __/__/____

Company Stamp

E. VERIFICATION BY TIMBER ASSOCIATION

We hereby confirm that ____________________________ (applicant) is an active member of our association and is incorporated in Peninsular Malaysia.

Signature __________________________

Name: ________________________________

Designation: __________________________

Date (dd/mm/yy): __/__/____

Association’s Stamp
### DOCUMENT CHECKLIST

<table>
<thead>
<tr>
<th>NO.</th>
<th>DOCUMENT</th>
<th>CERTIFIED AS TRUE COPIES (Please tick)</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>COMPLETED APPLICATION FORM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>THIS CHECKLIST</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>OTHER DOCUMENTS REQUIRED (see item 1 to 7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Purchase order/contract</td>
<td></td>
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<tr>
<td>2.</td>
<td>Photos of machine components and technical specifications</td>
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<tr>
<td>3.</td>
<td>Form 24 and Form 49 as per the Companies Act 1965/Section 78 and Section 58 as per the Companies Act 2016.</td>
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<td>4.</td>
<td>Latest Form of Annual Return</td>
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<tr>
<td>5.</td>
<td>Latest Audited Accounts (3 years)</td>
<td></td>
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<tr>
<td>6.</td>
<td>Latest Bank Statements (3 months)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>OTHER SUPPORTING DOCUMENTS (If any)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Please sort the documents submitted in the sequence as per the Checklist above.

**IMPORTANT NOTES:**

1. All documents can be certified either by the Chief Executive Officers, Managing Directors, and owners of the companies or Accountants.
2. All documents must be submitted according to the Checklist above.
3. Incomplete submissions may lead to delays in approval of application.